

Letter from Alexander Graham Bell to Gardiner Greene Hubbard, July 28, 1880, with transcript

1

COPY OF A LETTER FROM ALEXANDER GRAHAM BELL TO GARDINER GREENE HUBBARD JULY 28, 1880, REGARDING TELEPHONE PATENTS AND TRUST FOR HIS CHILDREN. Cambridge, Mass. July 28th 1880 My dear Mr. Hubbard:

At the time of my marriage — in July 1877 — I was anxious to make suitable provision for Mabel and our children, so that in case of my death — or in the event of pecuniary embarrassment on my part — they should not suffer.

I therefore transferred to Mabel before our marriage all my right title and interest in and to my telephonic Inventions in the United States thereby giving her property in her own right that would not be liable to my debts.

As a further safeguard for our children I determined to form a Trust Fund — the interest only of which should go to us — the principal being alienated from Mabel and from me — thus forming a sure and certain inheritance for our children not liable to the debts of either their father or mother.

For the purpose of forming this Fund I transferred to you as Trustee all my right title and interest in my Telephonic Inventions in Great Britain and Ireland, in Germany, Austria, Belgium and France. I had perfect confidence in your business ability and judgement and believed that you could make my inventions of value in these countries.

For a long time it was a matter of consideration with me whether it would not be well to form a Board of Trustees so that no action could be taken excepting after full deliberation and discussion by a number of individuals. I finally decided that while the clogging action

Library of Congress

of a Board might be very well after the Fund had been formed and the money had been invested that you would be far more likely to make the inventions of value — to create something out of nothing — if you were left alone with unfettered powers.

My only fear was that in the event of a Fund being formed our friendly relations might be endangered by differences of opinion about the disposal of the property. I determined to avoid such a catastrophe by what at the time seemed a very simple and efficient plan — namely — to make a solemn resolution that — come what might — I would refrain from interfering with the affairs of the Trust; — that I would leave the whole matter absolutely to you and avoid all discussion. I determined that if you insisted upon consulting me I should simply answer “Do as you think best.”

I now see that this plan has brought about the very state of things it was meant to avoid; and that the strained condition of our relations at the present time is the legitimate outcome of the policy I have pursued.

I am not naturally of an inquisitive disposition in regard to business matters — nor are you one who volunteers information where it is not sought. My refusal to discuss the affairs of the Trust with you has naturally led you to believe that I took no interest in the matter. You consequently consulted me less and less as to what you proposed to do, and finally you disposed of my whole interest in countries covered by the Trust without my knowledge or consent. The wall of silence between us in respect to the Trust has grown from day to day until I see that the only way to prevent it from separating us altogether is to break it down by a free interchange of confidence.

I will tell you fully and frankly all that has been going on -on my side of the wall — so that you may understand the motives that have actuated me — and the position that I assume; and I entreat you to be equally frank with me — and clear the whole matter up before it is too late.

Library of Congress

At the time of my marriage I was satisfied with my resolution to leave the affairs of the Trust in your hands without question. I knew very well that it was impossible for me to think satisfactorily with the brains of another man, but I argued that your knowledge of business matters was infinitely greater than mine, and that in the event of differences of opinion between us on such matters the chances were infinitely in favour of your opinion being correct. Since that time my position has entirely changed. I have become a father and have learned what it is to feel a father's love for the helpless 3 little ones entrusted to my care. I realize now — as I could not then — that it was wrong in me to carry out the resolution I had formed; and that it is my duty — as the natural protector of my children — to think with my own brains on their behalf —and to be satisfied that their interests are properly cared for.

CONCERNING THE AFFAIRS OF THE TRUST IN GREAT BRITAIN AND IRELAND

Immediately after my marriage I went to England for the purpose of doing my part in rendering the Trust Interests of value — by creating a public agitation on the subject of the Telephone. As a result of this agitation the English Telephone Co. was ultimately formed by Col. Reynolds and I had the satisfaction of feeling that all events a nucleus of a Trust Fund had been formed.

A certain number of shares and twelve thousand dollars in cash were transferred to your name on account of the Trust.

At this time you were in great pecuniary distress, and when you heard that money had been realized from the Trust you wrote to borrow the cash for the purpose of relieving your embarrassments. I was much distressed on your account, and wished to do all that a son could do to help you. The Trust Fund had been formed for the express purposes of creating a Fund that could not be touched in the event of pecuniary embarrassments

Library of Congress

on the part of Mabel or myself and I felt that while I had a cent of money of my own in the world — nothing could justify us in allowing the Trustee to relieve his own necessities from that source. I therefore desired to make the loan to you — a personal one from myself — and my mortification was extreme when at a future time — in consequence of Col. Reynold's failure to meet his obligations I was compelled to regard the money that had been sent to you — as borrowed from the Trust Fund. I felt, however, that your necessity — and my necessity — justified a loan 4 from this source; but I certainly expected that upon the return of prosperity the Trustee would no longer appear as a borrower from the Fund entrusted to his care.

Upon our return to America your affairs appeared to be for a long time in a critical condition. Nothing could therefore be done to develop the value of the Trust and certain of the Patents lapsed on account of non-payment of patent-office fees.

The idea of your going to England in the interests of the Trust was hailed by me with pleasure for it seemed to me in the first place that the payment that would be legitimately due you from the Trust — as remuneration for services, would give you an additional source of income at a time when your affairs appeared to be much embarrassed; and that, in the second place, your visit would certainly operate to increase the value of the Trust. I felt indeed that the affairs of the English Telephone Co C. were in such a critical condition that you were almost the only man who could save them from destruction.

Upon your return from Europe you wrote a letter to Mabel and to me concerning the affairs of the Trust in England from which I gathered:—

- (1) That the proportionate amount of stock of the company held for the Trust had been greatly reduced during the process of re-organizing the company;
- (2) That our proportion of stock had been still further reduced by the gift of one hundred shares to Mr. Home, and that an obligation had been laid upon the Trust to pay him a salary.

Library of Congress

(3) That the payment due you on account of services and expenses would be taken from the cash in your hands as Trustee —that is from the money borrowed from the Trust in 1878.

(4) That you wished our permission to accept an additional payment from the company of one thousand shares.

5

This letter created a general feeling of uneasiness in my mind regarding the Trust. I did not for a moment doubt that you had done all that you could for the Trust, nor that your services had made valuable what otherwise would have been waste paper. Your letter was one of the kindest that could have been written to a son. The different points referred to above — considered separately — were unobjectionable; but, taken together, they created such a feeling of uneasiness that I longed to obtain the opinion of some business man upon the matter — some one who understood company affairs a little better than I did. I felt however that such a course would naturally lead you to suppose that I suspected you of unfair dealings with your children — which would indeed be a poor return for all you had done.

In order that you may understand my position I will give you the ideas that came to my mind at the time concerning the points alluded to above.

(1) I could see that it might be necessary during the reorganization of the company to reduce our proportion of stock so as to raise the value of the remainder: But the reduction that had taken place appeared to me to be enormous. Our proportion was originally $\frac{1}{2}$ of 55 percent — that is 20.625 percent of the capital stock of the company; whereas, from your letter I learned that it had been reduced to less than 5 per cent.

(2) No objection could be found to giving our representative, Mr. Home, an interest in the stock, and to guaranteeing him a salary. This was in accordance with my expressed

Library of Congress

wishes. It was only when taken in conjunction with the enormous reduction in the proportion of stock held in Trust that it created the slightest uneasiness.

(3) Of course your expenses should be paid, and a handsome allowance on account of services be given to you. During your absence in Europe Mabel and I had often talked about the amount we should pay you upon your return, and we had agreed to authorize you to sell stock to the amount of \$10,000.00 on this account. Upon your return however I was too much troubled at the enormous reduction in the amount of stock held in Trust to make such a proposition. I felt that any charge on account of expenses or services should be met by the sale of stock and that it was not right to use for this purpose money that had been withdrawn from the Telephone business in 1878. 6 I was quite unable however — without consultation with a business man to decide upon any plan that seemed just to the Trust — and generous towards you.

(4) It did not seem to me advisable that you should have any interest in the stock of the English Company apart from the Trust, and yet I did not well see how we could object to your acceptance of what had been offered to you by the company. It seemed to me however that your services were being paid for twice over — once by the Trust — and once by the company, and this — considering the enormous reduction of our interest — seemed a little hard on the Trust. You offered, in your letter to transfer the 1000 shares to the Trust, if we were not perfectly satisfied that you ought to retain them. I was anxious that the Trust Fund should be managed in a thoroughly business manner but I felt quite unable without assistance, to decide what was best to be done.

The easiest solution of the difficulty was — to do nothing — which accordingly I proceeded to do! The natural result followed. I was thought to be indifferent and ungrateful and the feeling I was known to entertain towards the Directors of the English Company strengthened this idea. I was urged again and again to answer your letter but the solution of my difficulties was no nearer than before, and I felt very unhappy about the whole matter. At last Mrs. Hubbard asked me in your presence to speak to you upon the subject

Library of Congress

and silence was no longer possible. I told you that I felt dissatisfied at the condition of affairs, but that I did not wish to discuss the matter with you.

I stated that all I desired was that the Trust should be managed in a strictly business manner, quite independently of our relations to one another, and I proposed that the whole matter should be referred to some business man in whom we both had confidence for settlement.

You accepted this proposition and we agreed to submit the matter to Mr. Storrow. You wrote a letter to Mr. Storrow and sent it to me for my inspection, requesting me to forward it to him if I approved of the contents.

To my surprise I found that instead of submitting the whole matter to him for settlement you had submitted one solitary point —which although important did not strike at the root of my difficulties at all, as the responsibility of deciding the amount to be paid you — and the question about the stock given to you by the Telephone co. still remained with me.

I was afraid to disturb our relations any more than I could help by the return of your letter as unsatisfactory and therefore decided to send the letter to Mr. Storrow just as it was — and to submit the other points for his opinion after the first had been settled.

My original idea was simply to refer all Trust questions to a business man for his opinion, but somehow or other it came to be considered as an arbitration — since we both pledge ourselves to abide by his decision; and thus I found myself forced against my will, into a position of apparent antagonism to you — while the family looked on in wonder at my ingratitude —and believed that the reference to Mr. Storrow was made as the only means of preventing a family quarrel from breaking out into flames! The point you submitted to Mr. Storrow was whether you were entitled to charge your expenses in England to the Trust (!) and whether you should be paid out of the cash belonging to the Trust, or out of the Stock

Library of Congress

There never was any difference of opinion as to the propriety of your charging your expenses to the Trust nor of your being amply remunerated for your services. My feeling was that it was not right to take for this purpose cash that had been invested and that was accumulating interest . I looked upon the money you had borrowed in 1878 as an investment and although I regarded it as only temporary, yet the money had been no less truly withdrawn from the risks and dangers of a telephone business. I felt that if one cent of the fund that had been invested could afterwards be withdrawn and be put back into the very business from which it had been saved that there was no guarantee for the stability of the Fund , and that the very object of the Trust would be endangered.

8

I, therefore, felt that the point you had referred to Mr. Storrow — although by no means relieving me from the responsibility of deciding questions I did not feel competent to attack, was of the very greatest importance to the Trust, as the decision would establish a precedent in regard to Trust affairs.

I heard nothing concerning the matter for several weeks, but upon enquiry I learned that an answer had been sent to you. You had laid the note on one side to show me, but, being much occupied with other business — the matter had slipped from your memory — until I enquired about it.

I found that Mr. Storrow had decided the point in favour of the general principle for which I had contended that money once invested could not be withdrawn for such a purpose as that proposed and that the expences etc. should be paid by the sale of stock. I then wrote to Mr. Storrow enclosing the letter you had sent me on your return from England, requesting his opinion upon the other matters alluded to in the letter. I directed his attention to the special point involved namely the amount to be paid you on account of services etc.

Library of Congress

I stated that as the matter stood, it appeared to me you were being paid for services twice over — once by the Trust and again by the Company. I sent the letter to you for inspection before forwarding it to Mr. Storrow, and you requested me not to send it all as you thought assumptions that were very unjust to you; and moreover, you informed me, that the affairs of the Telephone Company in England had changed so much for the better that the statements contained in your original communication concerning the amount of stock held in Trust — were no longer statements of fact. Of course under these circumstances I withdrew my letter.

I then requested you to have a correct statement prepared that I might know the exact condition of the Trust Fund, and ask Mr. Storrow's opinion upon it. I suggested that some business man should be employed to put the accounts of the Trust into proper shape. You suggested employing my cousin 9 Charlie — but I objected to having any more relatives mixed up with the affairs of the Trust. I understood subsequently from Mrs. Hubbard that some relation of Miss Barnard had got the matter in hand.

I waited — and waited — as patiently as I could, but no statement was placed in my hands until just as you were sailing for Europe. There are points about the statement I did not — and do not understand — but you did not wish to discuss the matter with me, and referred me to Mr. Barnard for all explanations.

Upon making enquiries for him after my return to Washington I found that he had gone to Buffalo, N. Y., and the two or three subsequent enquiries I made for him were answered to the same effect. From the note accompanying the statement I found that you no longer left the question open regarding the stock given you by the company, but that you had decided to keep the stock and not charge your expenses to the Trust.

I hope, however, that you will be willing to leave the whole question open as originally agreed — and let every question be decided by the opinion of some business man like Mr. Storrow.

CONCERNING THE AFFAIRS OF THE TRUST IN GERMANY, AUSTRIA, BELGIUM AND FRANCE.

My ideas concerning the International Bell Telephone Company have been of the most foggy description from the first.

The first time I heard of any company of the kind was shortly after the organization of the Continental Telephone Co. You told me that some company you were getting up wanted to acquire my interests in Cuba — and you requested me to make no arrangement with the Continental Co. for that country.

Upon making enquiries I found that Spanish Patents covered Cuba, but that the law enforcing this was passed just after the issue of my Spanish Patent. I felt that under these circumstances my good will for Cuba should belong to the company that owned my Spanish Patent, and I decided to transfer it to the Continental Co.

10

You were quite angry at this decision, and spoke to me in such a manner as to lead me to believe that your opposition arose more from a personal feeling against Mr. Bradley than from anything else. You seemed to think that the Continental Co. would necessarily be a failure on account of his connection with it, and in proof of the unscrupulous character of the Company you stated that they had already sent telephones to Germany, which was outside of their territory, and within that of your proposed company. You stated so plainly that two companies could play at that game and that you had no doubt as to which would succeed — the Hubbard or the Bradley Company that I felt quite distressed.

I said it would never do to have two American Companies opposing one another in Europe, and that even though there were no patents in Germany I felt sure that an honourable company like the Continental would respect the limits of the territory it had agreed to occupy, and that your company would do the same.

Library of Congress

In consequence of what you said I wrote to Mr. Bradley and received from him a written assurance on behalf of the Continental Co. that they would operate only within the limits of the territory agreed upon with me. Upon this assurance I completed the transfer of Cuba and other countries to the Continental Co.

From that time I heard little or nothing concerning your proposed company, and I wondered whether your plans had fallen through, or whether you had been hurt at my independent action in regard to Cuba, and did not give me your confidence.

I felt faith that all would turn out for the best and went on quietly with my experimental work. I did not ask you any questions nor did you volunteer information. I gleaned as best I could a few fragments of facts from Mabel and from Mrs. Hubbard and the story of your plans and doings that I pieced together from these imperfect elements was somewhat as follows:—

The Company you had proposed to organize had fallen through and you were sending out men and instruments to Europe at your own expense to start Telephonic Exchanges in Germany, Austria, and Belgium for the purpose of rendering The Trust of value. It was your belief that a company could be organized on the basis of the business established, although the patents had been lost; and that the money expended would ultimately be refunded to you. I next heard that you were getting up a company in New York — that Maurice was to be sent out — that it was proposed to call it the International Bell Telephone Co. and that you had secured the co-operation of men of wealth and position in New York.

I subsequently understood that France was to be included in the scheme. I found that young Geneste in Washington had been encouraged by you to learn the Telephone business on account of his knowledge of French and there seemed to be every indication that men and instruments would be sent out to France without delay.

Library of Congress

These things pleased me greatly. I felt exceedingly grateful to you for all you were doing, as I believed that you were working for and in the interests of the Trust Fund.

When at your desire I withdrew my letter to Mr. Storrow about the affairs of the English Co. I requested you to prepare a statement of the condition of the Trust Fund including for my information particulars concerning Germany, Austria, Belgium and France.

Your reply fairly startled me. You said that so far as Germany, Austria, Belgium and France were concerned no legal patents existed in these countries, and that there was therefore no Trust!

The organization of the International Bell Telephone Co. you also stated had already been completed and although the Trust had not been recognized in the distribution of the stock — the company had, at your solicitation — 12 recognized me personally by a present of stock. You told me you thought this very generous on their part for you did not think they were under any obligation to do so!

I must say I was fairly stunned — and could hardly believe my ears. The trust I had supposed you were working so hard for — defunct! — and the money you were expending — not expended in the interests of your grand-children but upon a private speculation of your own!

I knew your loving and generous disposition too well to believe for one moment that you had selfish ends in view. The only conclusion I could come to was that there was a monstrous delusion somewhere and that either your judgement — or mine — was enormously at fault.

As each man believes himself to be right, I lost confidence from that moment in the soundness of your views, and I determined that come what might I would make a struggle to preserve what I believed to be the property of my little ones.

Library of Congress

I declined to accept the shares that had been allotted to me —and said that if the Trust was defunct I must be consulted as to the amount of stock I would accept for the use of my name — my good will, etc. — and that I would hold it in Trust myself for my children.

You replied that the stock was not given to me for anything that I gave in return; — that the patents were gone; — that my name was valueless; — that the stock was in fact given to me as a “gratuity” to which I could lay no claim by right; and altogether that I was very ungrateful and you could not understand me at all.

I had believed that all the money you had expended, and that all the interest you possessed, was on account of the Trust Fund.

No wonder then I was indignant when I discovered my mistake. I did not see by what right . The Trustee could appropriate for himself any interest ¹³ in the inventions he held in Trust for others. According to my notions of business any man might subscribe for stock, or accept an interest as a gift, excepting the Trustee . I could not see that it was right. I know nothing of the law upon the subject —but to my mind equity demanded that a Trustee should be debarred from doing so — otherwise serious abuses might arise. For instance gifts might become bribes, and divided interests would detract from the due management of a Trust.

As it gradually grew upon me that you probably owned a large proportion of the stock of the company yourself — and that all this interest should belong to the Trust — I felt insulted that I should be offered as a “gratuity” a fractional part of what belonged to my children by right! And you felt hurt that I should be so ungrateful for all you were doing.

I pointed out to you that the deed of Trust included the Inventions as well as the patents and that therefore I was not at liberty to accept what belonged to the Trust. Upon this point you took issue and we determined to refer the matter to Mr. Storrow.

Library of Congress

If Mr. Storrow should decide that the Inventions were not covered by the Deed — and that the Trust was defunct, then I insisted on being placed in communication directly with the company and making my own terms.

Whereas if he decided otherwise — I could not interfere with your arrangements. If I was dissatisfied with them it was a matter between myself and you as Trustee — not between myself and the company.

Before Mr. Storrow's answer had been received it was discovered that the Austrian Patent had been saved. The gentleman to whom I had given a Power of Attorney for Austria in 1878 at your request, had paid the periodical fees demanded in that country and the patent was safe.

You then asked me on behalf of the International Bell Telephone Co. to revoke this power of Attorney so that the company might have the benefit of the Patent.

14

I declined to do so until the question of Trust or no Trust had been decided. A telegram was therefore sent to Mr. Storrow requesting him to decide the question at once as important matters depended upon his decision.

His reply was: That the Trust existed and covered the Inventions as well as the Patents .

I then stated that there could be no objection to my revoking the Power of Attorney if you obtained from the Company some additional stock or cash on account of the Patent. You stated that you would see that this was done.

I went with you to Mr. Pollok's office to sign the revocation of the Power of Attorney but upon glancing over the document presented for my signature I discovered that by the paper it was acknowledged that the Patent had already been assigned to the International

Library of Congress

Bell Telephone Company . I asked the meaning of that and declined to change the status quo until I understood the whole matter.

You stated that you had assigned all the Interests of the Trust in Germany, Austria, and Belgium to the International Bell Telephone Company on the understanding that there were no patents in these countries, and that it therefore could not possibly matter to the Trust:—

You had given away all the Interests of the Trust, whatever they might be, to the International Company and had not recognized the Trust in the distribution of the stock! I was not consulted — nor informed of what had been done until it was too late.

To me it seemed monstrous that you should have assumed the authority of a Trustee without recognizing the responsibilities :— That you should have considered yourself authorized as Trustee to give away all that was entrusted to your care without receiving anything in Trust in returns — That after acting as a Trustee by the assignment of the Trust Interests to the Company, you should take stock for yourself personally — throw a few shares at my head 15 as a “gratuity” — and then declare the Trust defunct! However painful it may be for me to write-these are the feelings that passed through me at the time. Of course I knew that you did not look at the matter in the same light I did — and I was made to feel bitterly that my honest and conscientious dissatisfaction with the management of the Trust was looked upon by you as the blackest ingratitude towards yourself.

I felt that your declared abandonment of the Trust in Germany, Austria, Belgium and France justified me in taking our independent position and I again declined to sign the Revocation of the Power of Attorney.

You then directed my attention to the decision of Mr. Storrow, and stated that we had both agreed to be bound by that decision. It had been decided by him that the Trust existed and you were therefore entitled as Trustee to demand that I should sign the revocation

Library of Congress

of the Power of Attorney. Mr. Pollok upheld your view of the case and stated that under the deed of Trust I had no power, but had simply to do what the Trustee desired. If any dissatisfaction existed it should be privately settled between us, and not be allowed to be known outside, as it must be if I declined to do what you wanted.

Under these circumstances I agreed under verbal protest to sign the document.

I felt it necessary for the peace and happiness of all concerned that a full statement should be made of the exact condition of the Trust in all the countries covered by the Deed, and I waited as patiently as I could for the promised statement.

The statement that was received from you just as you were sailing for Europe related almost entirely to English Telephone affairs. The only allusion to the condition of the Trust in other countries was an acknowledgment that you held five hundred shares of the International Bell Telephone Co. on account of the Trust —being one hundred shares more than had been offered to me as a “gratuity”. This increase had been made on account of the Austrian Patent. I then asked you what personal interest you had in the International Company and you stated one thousand shares.

I did not see how — under Mr. Storrow's decision — you could hold any personal interest in the inventions belonging to the Trust excepting as compensation for services rendered. If indeed even then — for it seemed to me that compensation should be made to a Trustee in cash, and not in the shape of a personal interest in the thing he holds in Trust — on account of divided interests. However, I might be wrong. At all events I did not see that it was right for you to keep for yourself an interest twice as great as the interest acknowledged in Trust, and valued at from one hundred to two hundred thousand dollars — without returning it in your statement and accounting for it.

(I take as my basis of calculation the value you placed in your letter on the shares held in Trust.) I did not deny and do not deny that you may have a perfect right to keep all the stock that you subscribed for — I simply give you my feeling in the matter — and state it as

Library of Congress

a point I felt incompetent to decide — and yet, as the guardian of my children's interests, I felt it my duty to have it decided in a business manner.

Under these circumstances I asked you whether you would have any objection to turn over your whole personal interest to the Trust and leave it to be decided by some business man like Mr. Storow how much should belong personally to you and how much to the Trust.

You gave me a written assurance that upon your return from Europe you would do this — and I was satisfied.

CONCERNING TELEPHONE INTERESTS OUTSIDE OF THE TRUST.

A short time ago Mr. C. C. Converse forwarded to me a copy of a letter he had sent to Mr. Vail on the subject of an Exclusive Contract for the 17 supply of telephones for certain countries. This was an authoritative letter signed “The International Bell Telephone Co. per C. C. Converse a Director.” I was requested by Mr. Converse to write to Mr. Forbes in support of their application.

The letter to Mr. Vail commenced as follows: — “The International Bell Telephone Co. — cover the countries of Norway , Sweden , Denmark , Holland , Belgium , Germany , Austria , and Switzerland — and have made rapid progress in the Introduction of the Telephone system under the Bell patents, etc.”

That is — the majority of the countries the company proposed to cover — lay outside the territory you had power to give them under the deed of Trust .

The company were proposing to operate these countries under my name, and in my pretended interests without any arrangement with me — not so much as to say “by your leave”!

Library of Congress

This was the very conduct that you had stigmatised as “dishonest” and “dishonourable” when applied to the continental Telephone Co.— operating in Germany.

I at once wrote to Mr. Converse confidentially stating that I could not support the application to the American Bell Telephone Co. until some arrangement had been made with me in regard to the countries mentioned — not covered by the deed of Trust.

I wrote to Mr. Forbes asking for myself the exclusive contract for these countries; and cabled you to the following effect:—

“Converse letter received. I must protest against International going outside of territory covered by deed of Trust without arrangement with me.”

My interests in countries not covered by assignment to Mabel and to you as Trustee — I intended to give to members of my father's family for — as you know — they are mostly in very moderate circumstances. The action of the International Company practically amounted to a confiscation of a large portion 18 of the interests I had intended for them.

I would do almost anything to please you or Mrs. Hubbard but I cannot and will not submit in silence to the wholesale usurpation of the rights of others implied in the conduct of the International Company.

I was well aware that I could not hope to obtain as large an interest as I desired in companies operating in countries where there were no patents in return for my good will and for the use of my name; and I had therefore intended to supplement this interest by subscribing for stock in the interests of my family.

No opportunity was given me of doing this in regard to your proposed Oriental Bell Telephone Company as I had no knowledge that such a company was being formed until the scheme of organization was sprung upon me in New York — fully completed — just as you were about to sail for Europe. I declined to have anything to do with the company

Library of Congress

upon the terms proposed, and the gentlemen connected with the company then entered into negotiation with me personally.

I had not thought of subscribing for stock in the International Co. even had an opportunity been given me for doing so, as I was not aware that the company intended to cover territory in which members of my family were interested; and I believed that if at any future time the company desired to operate outside the countries covered by the deed of Trust they would enter into negotiations with me upon the subject.

Under these circumstances I determined to protect the interests I proposed to give to my family by taking myself the initiative in the organization of a new Telephone Co. to operate in Scandinavia, Holland, Switzerland, Egypt, Turkey, Greece and such other countries of the world as were not covered by existing telephone Companies under agreement with me — and 19 by disowning publicly the International Bell Telephone Co. if they did not keep within the limits of the countries covered by the deed of Trust. I felt so strongly upon the subject that I determined to protect those interests with every cent of money I had in the world of my own; and I am still prepared to sacrifice my Volta Prize and all my continental Telephone Stock — rather than submit to the action of the International Company.

After coming to this conclusion I wrote a letter to the directors of the International Co. protesting against the conduct of the company towards me, and stating that if the company occupied territory outside of Germany, Austria, Belgium and France without an arrangement with me — self-protection would necessitate a public disavowal of the Company on my part.

I also cabled to you to the following effect:—

“Distinct company organizing to operate telephone in countries not covered by other companies. Chief subscribers are members of Bell family. Today notified International

Library of Congress

that self-protection will necessitate public disavowal of company — if it operates outside countries named in deed of Trust.”

To my great satisfaction I received the following answer from you:—

“Two telegrams received. Only countries occupied not covered by deed — Turkey and Egypt — neither of much value —willingly surrender if desired. Address Alexander Hotel —Hubbard.”

I considered that your cablegram left me free to dispose of countries not covered by the deed without compromising you . When my plans were completed and the scheme for the organization of a new company had been formed — to be called “The Consolidated Bell Telephone Co.” with my father, my uncle and myself as the first subscribers — I cabled you as follows:—

“Egypt, Turkey, Greece, Holland, Switzerland, belong to Charlie's family. Mabel bought Scandinavia from mother for twenty thousand cash. Willing to transfer above countries to International if allowed to subscribe for stock upon same terms paid by you and others provided your interest is not thereby reduced 20 for I hold that all your personal interest and expenditures and receipts belong to Trust excepting what may be agreed upon as compensation for services.

Or willing to transfer countries to Oriental if Bell Interests are properly represented in that Company. If no arrangement possible will complete organization of Consolidated Bell Telephone Co. in family interests. Please cable Eustis as all will be settled in Boston tomorrow. Mabel en route for Cambridge. All well.”

There was probably too little time for your reply to reach me at all events your expression of opinion was not received until after all was decided. It was simply as follows:—

Library of Congress

“No patent laws Egypt, Turkey, Greece, Poland, Switzerland. No patents in Scandinavia. Nothing therefore to sell or transfer — have written.”

The Oriental Bell Telephone Co. acceded to my wishes in respect to the amount of stock to be issued to members of my family, and I thereupon transferred to that company all my right title and interest in my telephonic inventions in all the countries of the world outside of the two Americas excepting Great Britain and Ireland, Germany, Austria, Belgium, France, Russia, Italy, Spain, and Portugal.

There were several reasons why I considered it well to transfer all my interests and good will in the disputed countries to the Oriental Bell Telephone Company.

In the first place there could be then no doubt that all your interest in the International Bell Telephone Co. lay purely and solely in countries covered by the deed of Trust.

In the second place I deemed such a transfer to be to your own personal advantage as 3/10 of the stock of the Oriental Co. had been subscribed for in your name, and no objection would be raised by me as to your personal ownership of it.

21

Immediately upon the conclusion of the negotiations with the Oriental Bell Telephone Company I cabled you to the following effect:—

“Have today transferred Norway, Sweden, Denmark, Holland, Switzerland, Turkey, Egypt and Greece to Oriental Bell Telephone Company.”

The cablegram from you which is given above was received so long after I sent the last cablegram mentioned — that I was in doubt as to which cablegram it was intended as an answer. That there might be no mistake however as to the names of the countries I cabled again from Washington or New York as follows:—

Library of Congress

“Have transferred Holland — not Poland — to Oriental.”

CONCLUSION In regard to the Trust.

I am sure that a candid and impartial investigation of the statements made in this letter will convince you that I have been actuated throughout by a sincere desire that justice should be done to you and at the same time that the Trust Interests should be managed in a proper business manner. I desired a reference to a business man because I did not feel competent to decide unaided the questions of the Trust.

I ask you to believe me when I say that I never doubted your motives, nor suspected that you had done ought that you did not conscientiously believe to be right and proper. I did doubt — and do doubt — the soundness of your views, and it is for this reason —and for this reason only — that I desired — and still desire — that all the questions of the Trust should be submitted to the judgement of some competent business man in whom we both have confidence.

Your agreement to do this when you left for Europe satisfied me, and so far as the Trust is concerned I have remained satisfied with this assurance ever since.

22

In regard to countries not covered by the Trust .

My difficulty I held to be with the International Bell Telephone Co. as a company and not with you personally.

I took care to telegraph to you however before taking independent action as I feared that I might compromise you in some way. Your reply that the only countries occupied by the International Bell Telephone Co. not covered by the deed of Trust were Egypt and Turkey — and that they would be surrendered if desired — released me from this apprehension. I had a perfect right, in any event, to dispose of my interests and good-will in such countries

Library of Congress

in any manner that seemed best to me, but I was anxious to shield your good name if — by any chance — you had compromised yourself by acting in my supposed best interests without due authority from me.

Subsequent events have troubled me very much-that I do not know how to explain the position in which you stand.

There seems to be no doubt that in spite of your cablegram Maurice is working in Stockholm in the interests of the International Company — that Denmark is occupied — and that you have obtained for that company a concession in Holland.

I could explain the discrepancy between your telegram and the facts upon the supposition that you had forgotten what countries were covered by the deed of Trust — were it not that upon examining the agreement made between yourself and the International Company — I find that that company was organized to operate the telephone “ in all the countries on the continent of Europe excepting France!! ”

I must express my surprise that such an important document as that — directly affecting my interests in a whole continent — should not have been shown to me — nor have been alluded to in any way; and that your name should be appended to a document that does not seem to recognize the rights of 23 the Continental Telephone Company to operate in Russia, Italy, Spain and Portugal.

I have sufficient faith in you to believe that there is an explanation for all these things, and I must ask you for the sake of the peace and happiness of our whole family — to give it to me.

I found that my letter of protest to the Directors of the International Bell Telephone Company had gone no further than to Mr. Costello Converse and Mr. Richard McCurdy. When I realized the fact that your honour might be involved, I withdrew the letter. I trust

Library of Congress

you will see from this my sincere desire to do nothing that would in any way injure you, and I do hope that everything will be settled to the satisfaction of everybody.

I am sorry to see by your note of the 9th inst. (which has just been received) that you defend (!) the conduct of the International Company in operating the telephone in countries where there are no patents without arrangement with me.

You say:— “Turkey and Egypt no more belong to you than they do to me or any other person. You have no patents there nor are there any patent laws in those countries. The International Company then had a perfect and complete right to work the Telephones in these countries.”

Now it appears to me in the first place that your premises are incorrect; and in the second place that your inference is not logically deducible from them:—

(1) I am the Inventor of the Telephone, and an inventor has a natural and inalienable right to the product of his brains even though that right may not be protected in certain countries. You are not therefore correct in assuming that I have no more rights in countries where there are no patent laws than any other person.

(2) Again in regard to the conclusion you have drawn:— It is certainly the case that so far as legality is concerned an Independent Telephone Company has a perfect right to operate the telephone in countries where there are no patent laws; but no company can have the right to operate the Telephone under my name and under pretence of representing my interests without arrangement with me. This is what the International Bell Telephone Company are doing in Turkey and Egypt and in the other countries occupied — outside the territory of the deed of Trust.

I cannot close this long letter without an appeal to your kind heart and loving nature to respect the honest differences of opinion that exist between us, and to treat my communication in the same spirit of Justice and fair dealing with which it is written.

Library of Congress

With love to you and the whole family.

Your affectionate son-in-law, (signed) Alexander Graham Bell